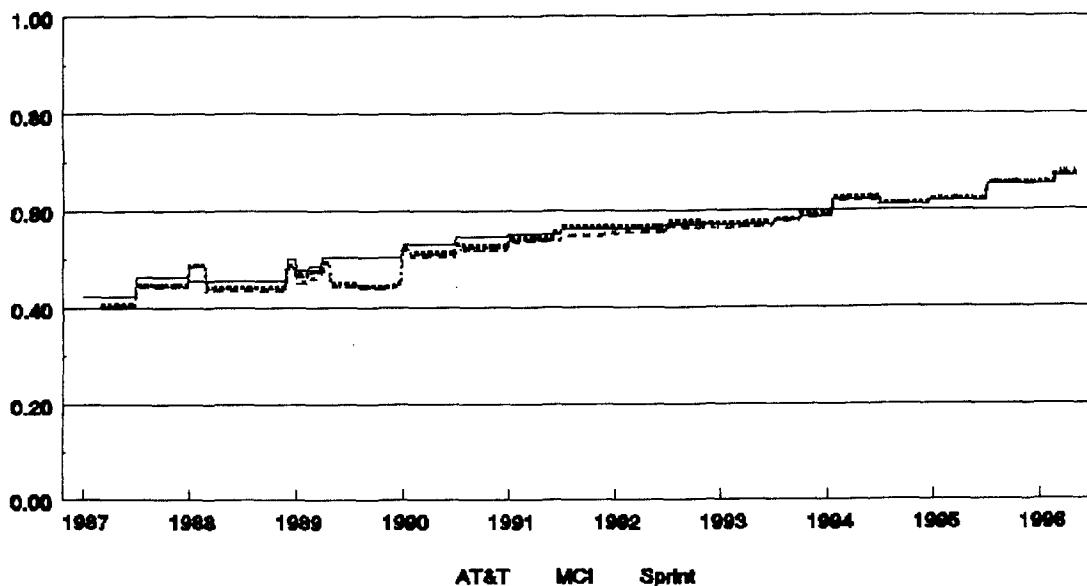


**APPENDIX B-FIGURE SIXTY-THREE
PRICE-COST MARGINS FOR MTS**

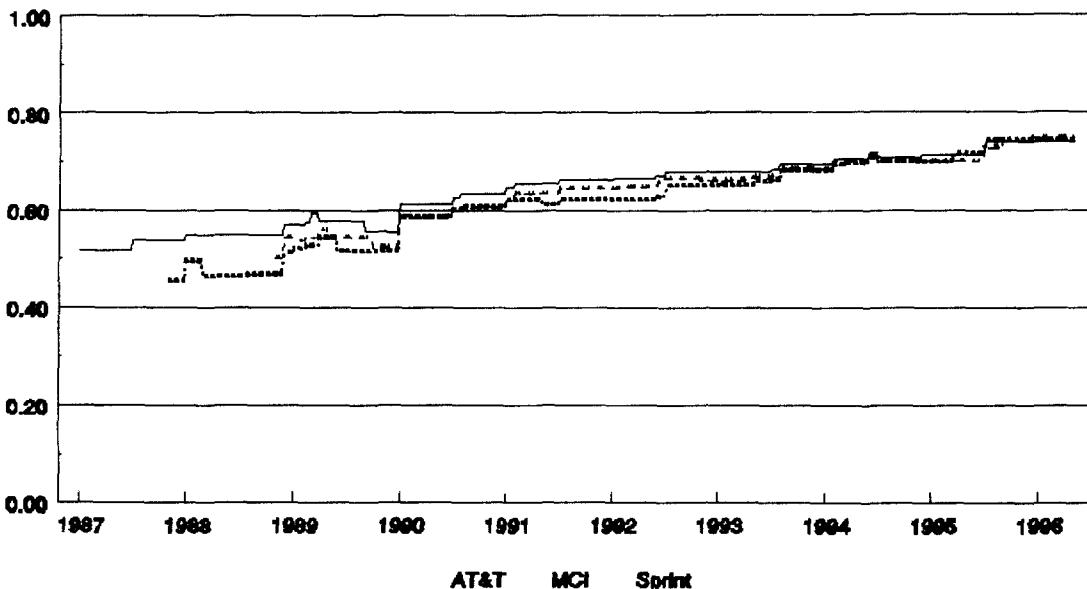
Price-Cost Margin



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

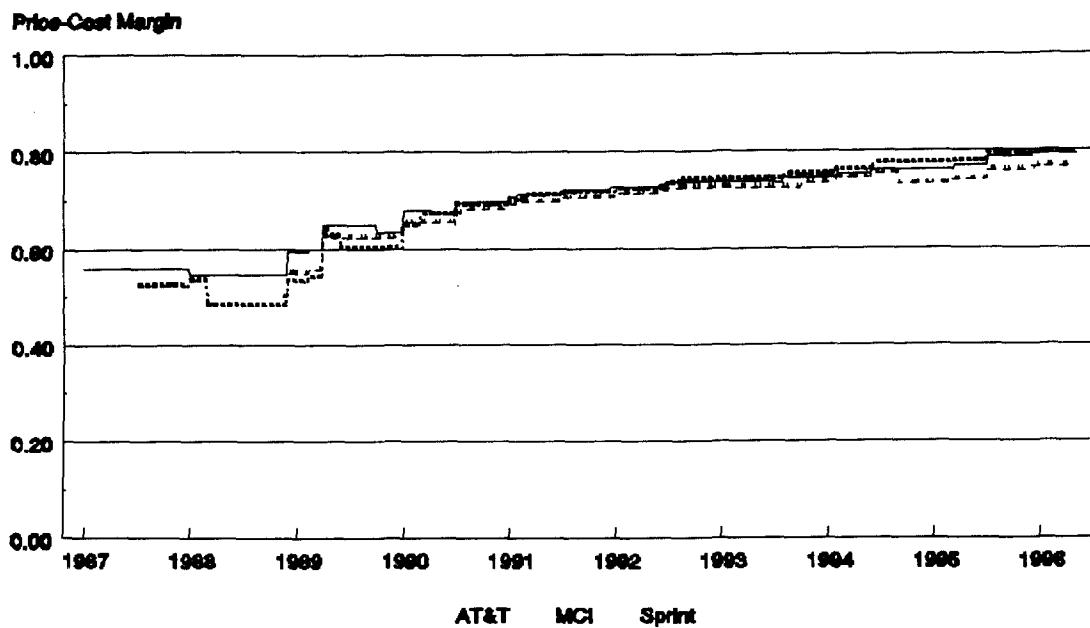
**APPENDIX B-FIGURE SIXTY-FOUR
PRICE-COST MARGINS FOR WATS SWITCHED OUTBOUND
(100 HOURS PER MONTH)**

Price-Cost Margin



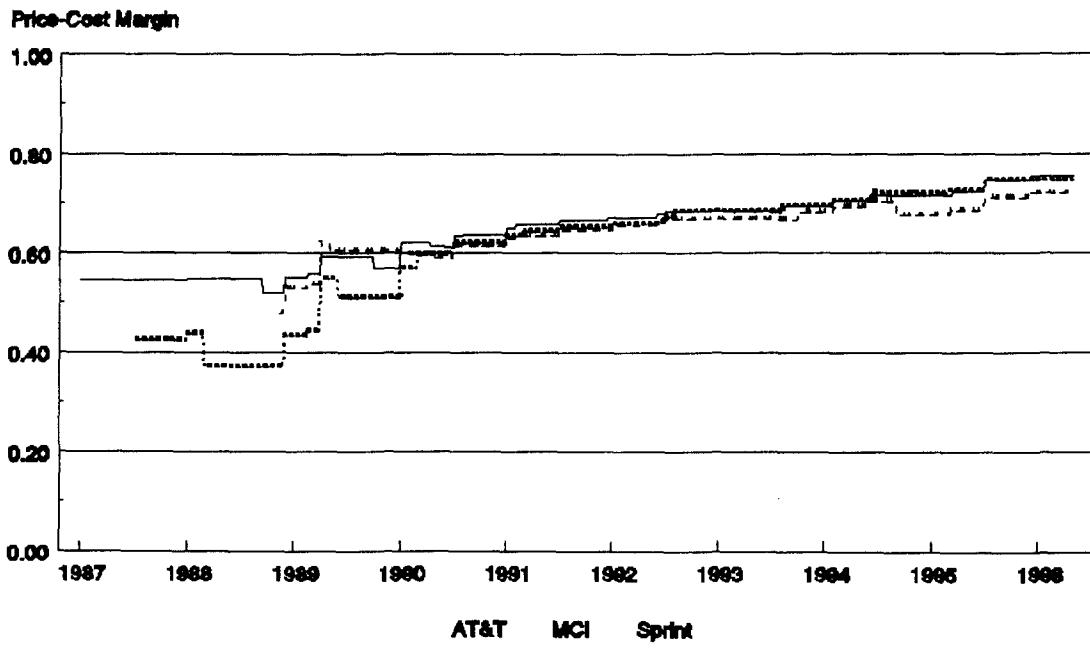
Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SIXTY-FIVE
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND
(1,000 HOURS PER MONTH)



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

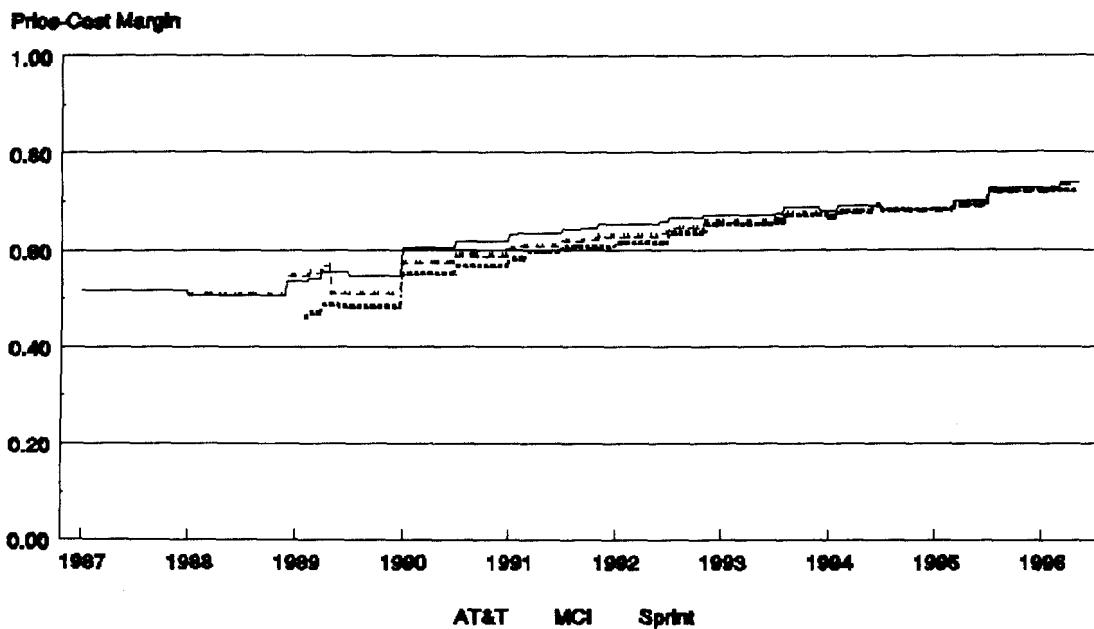
APPENDIX B-FIGURE SIXTY-SIX
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND - 36 MONTH CONTRACT
(1,000 HOURS PER MONTH)



Note: Sprint uses a 24 month contract.

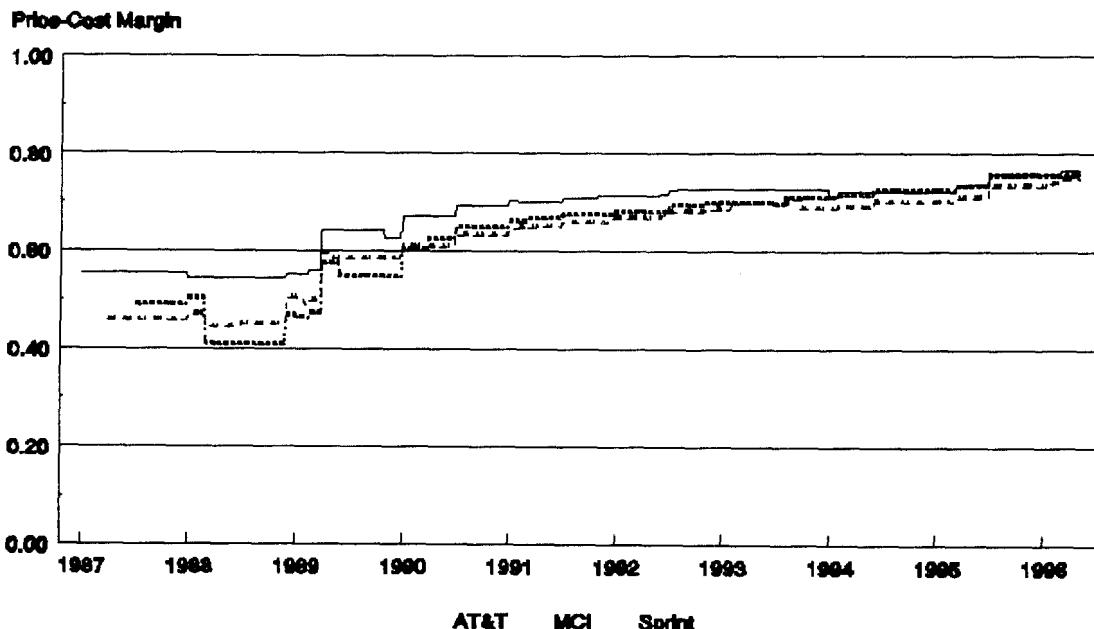
Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SIXTY-SEVEN
PRICE-COST MARGINS FOR WATS SWITCHED INBOUND
(100 HOURS PER MONTH)



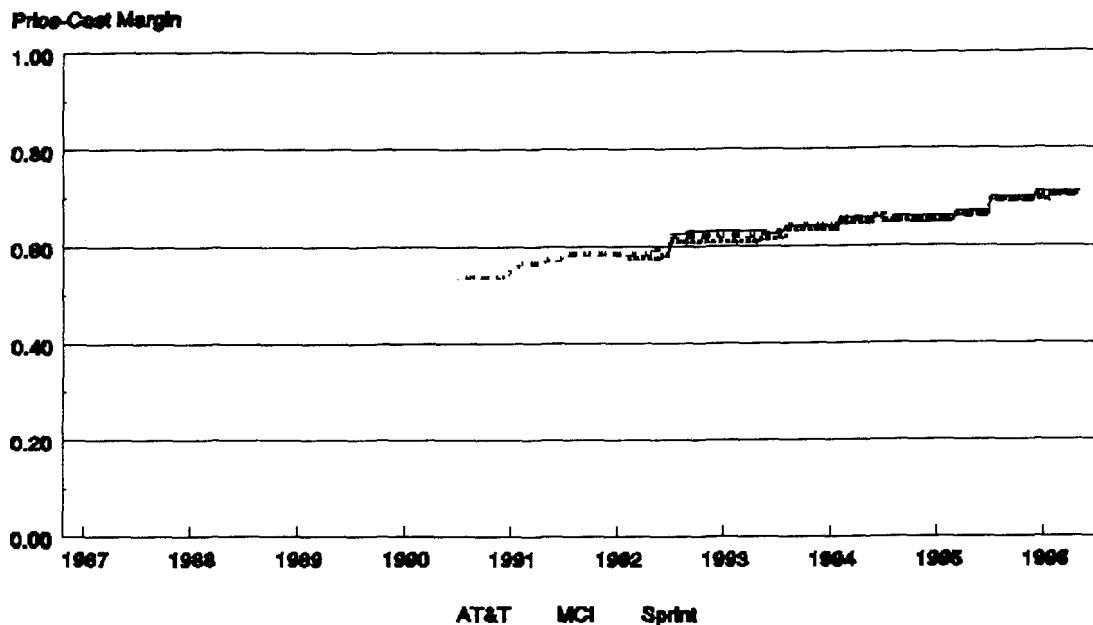
Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SIXTY-EIGHT
PRICE-COST MARGINS FOR WATS DEDICATED INBOUND
(1,000 HOURS PER MONTH)



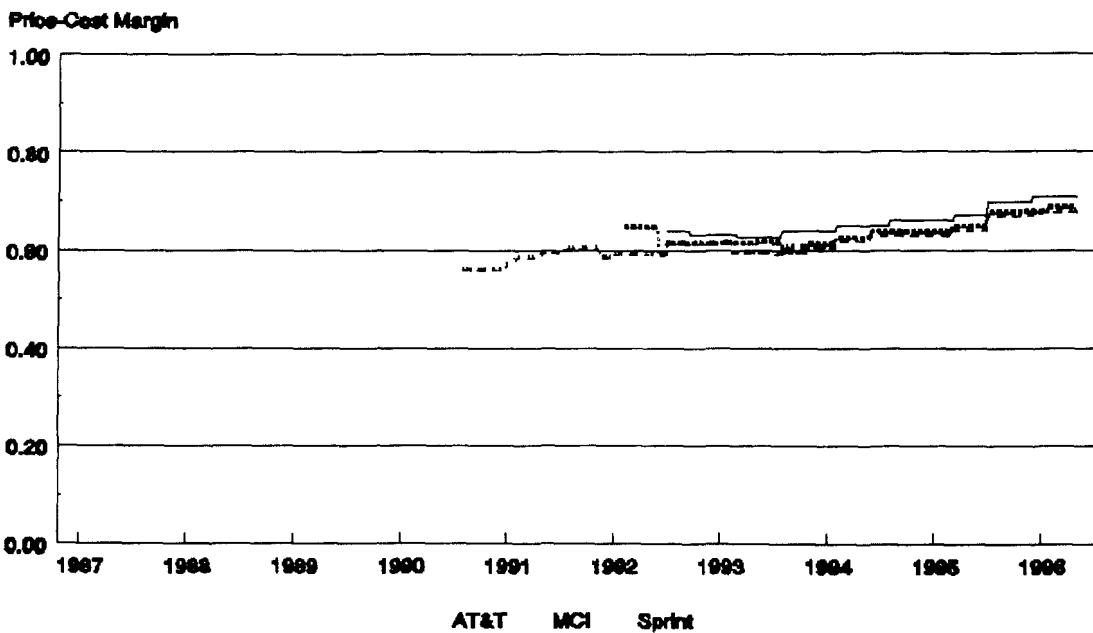
Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SIXTY-NINE
PRICE-COST MARGINS FOR COMBINED SWITCHED SERVICE
(100 HOURS PER MONTH)



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY
PRICE-COST MARGINS FOR COMBINED DEDICATED SERVICE
(1,000 HOURS PER MONTH)



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

SCENARIO TEN

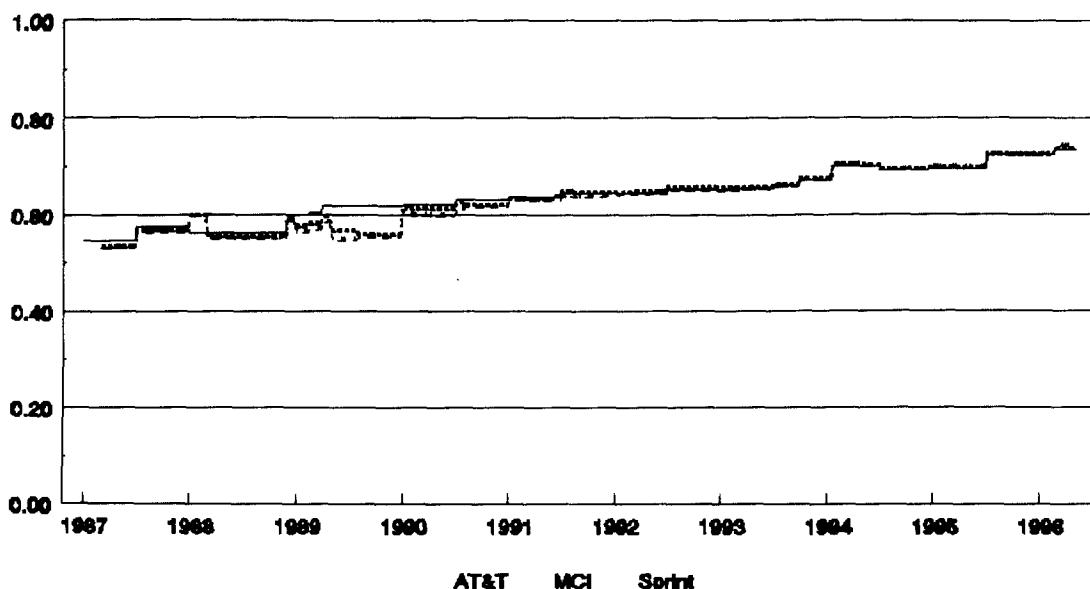
CALLING PATTERN DISTRIBUTION

Time-of-Day Distribution		
	MTS	WATS, 800 & Combined Services
Day	85%	40%
Evening	10%	30%
Night/Weekend	5%	30%

Mileage Distribution of Interstate Calls		
	MTS	WATS, 800 & Combined Services
0-292	12%	12%
293-430	9%	9%
431-925	53%	53%
926-1910	24%	24%
1911-3000	2%	2%

APPENDIX B-FIGURE SEVENTY-ONE
PRICE-COST MARGINS FOR MTS

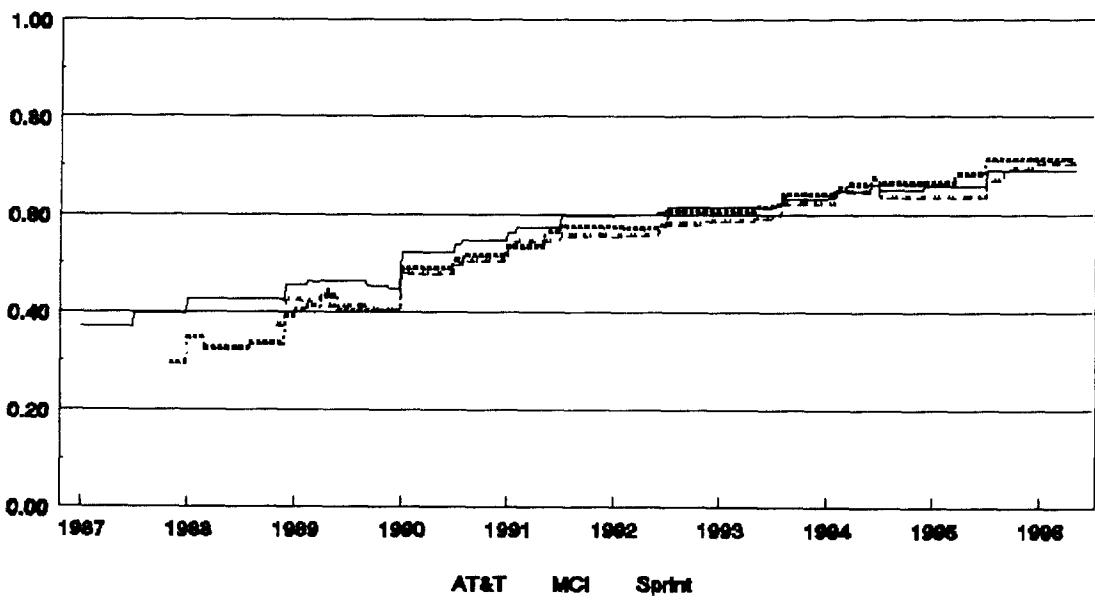
Price-Cost Margin



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

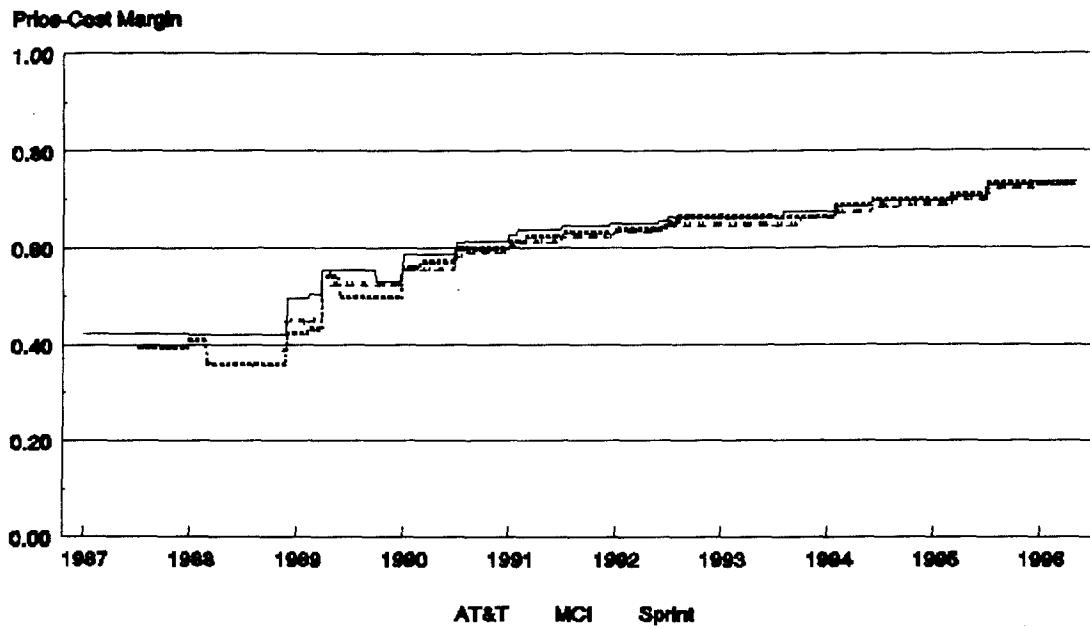
APPENDIX B-FIGURE SEVENTY-TWO
PRICE-COST MARGINS FOR WATS SWITCHED OUTBOUND
(100 HOURS PER MONTH)

Price-Cost Margin



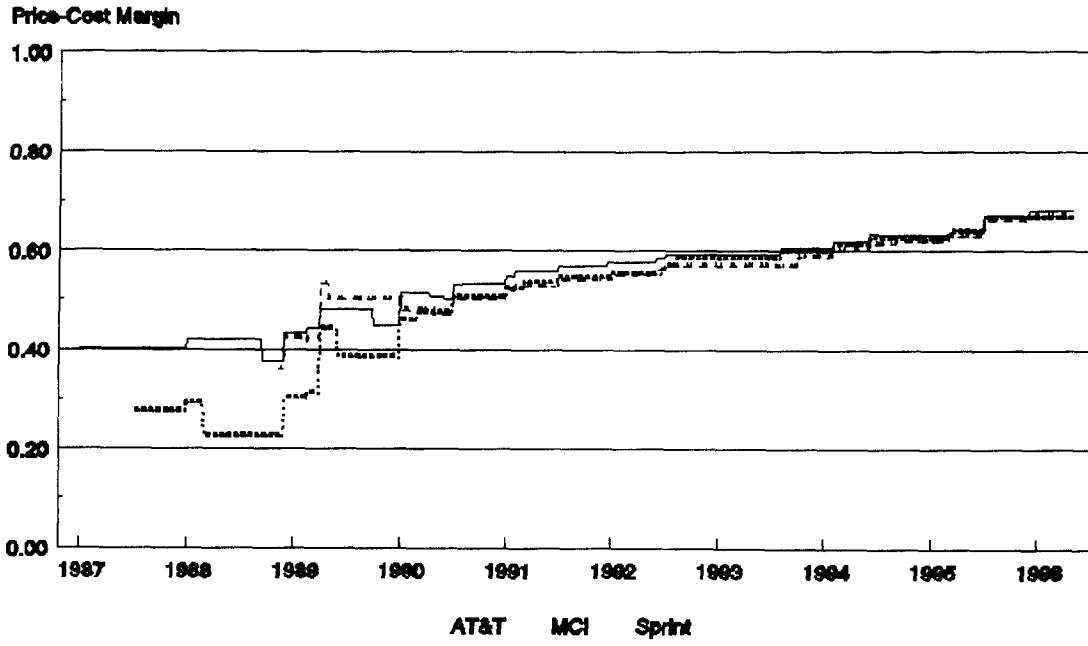
Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY-THREE
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND
(1,000 HOURS PER MONTH)



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY-FOUR
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND - 36 MONTH CONTRACT
(1,000 HOURS PER MONTH)

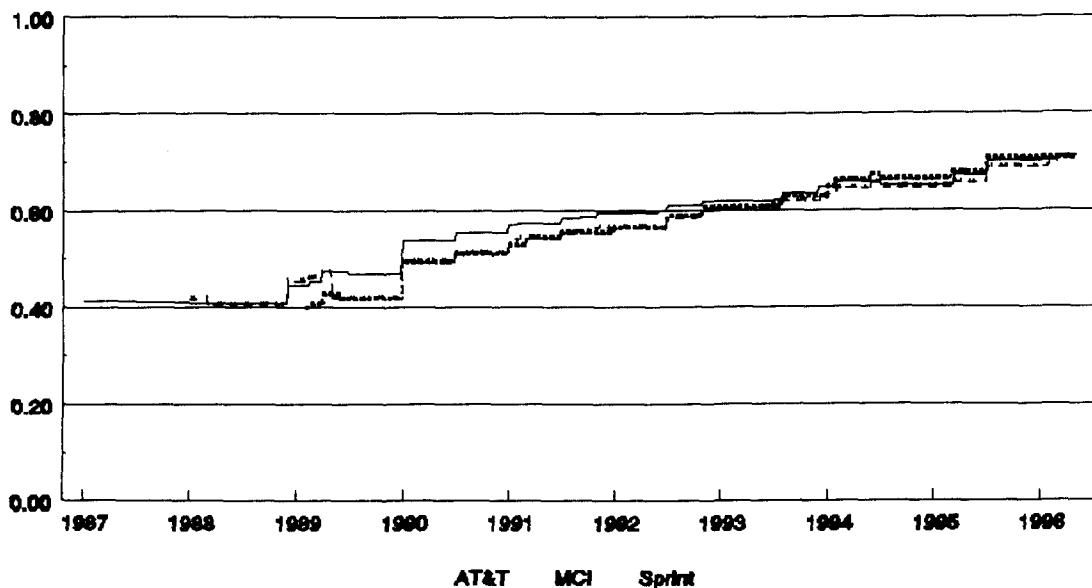


Note: Sprint uses a 24 month contract.

Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY-FIVE
PRICE-COST MARGINS FOR WATS SWITCHED INBOUND
(100 HOURS PER MONTH)

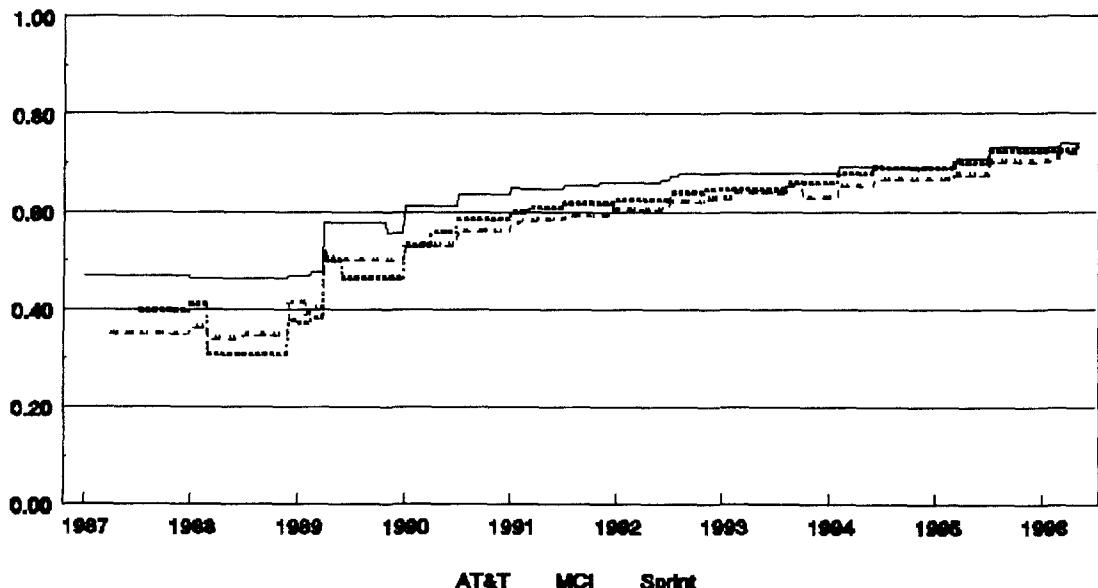
Price-Cost Margin



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY-SIX
PRICE-COST MARGINS FOR WATS DEDICATED INBOUND
(1,000 HOURS PER MONTH)

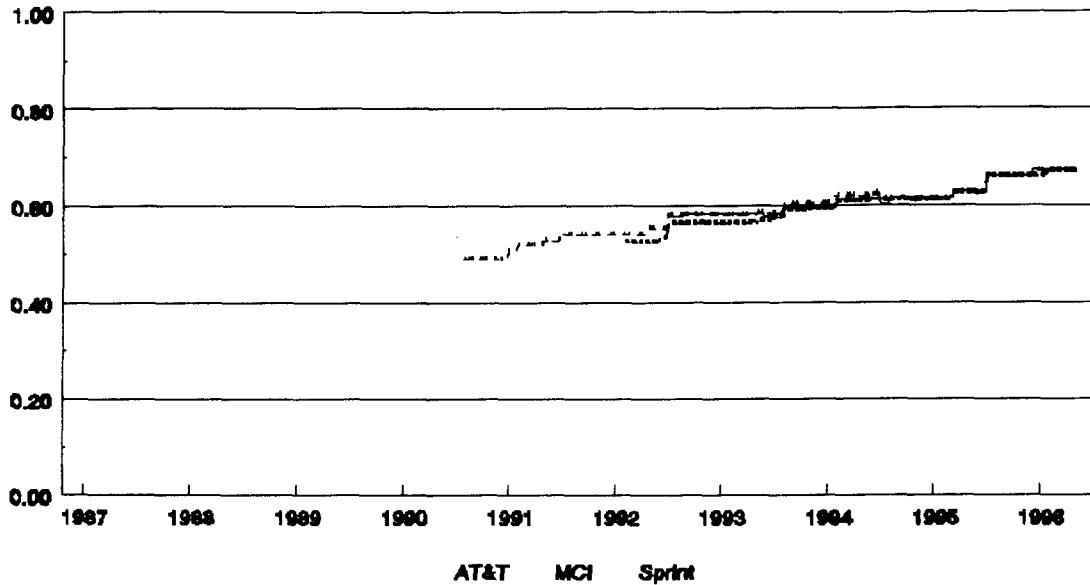
Price-Cost Margin



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY-SEVEN
PRICE-COST MARGINS FOR COMBINED SWITCHED SERVICE
(100 HOURS PER MONTH)

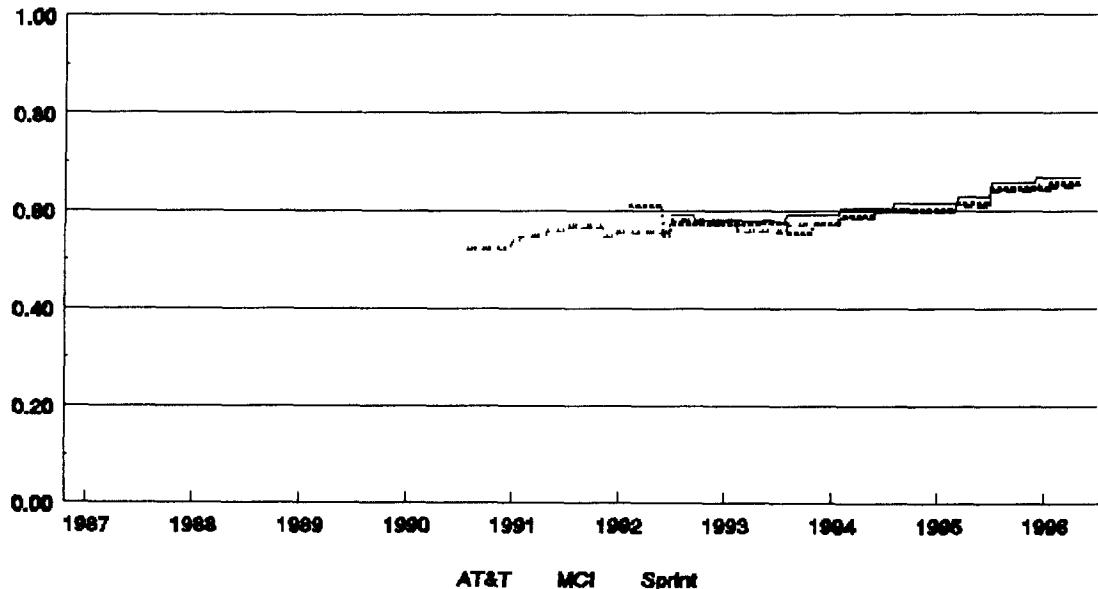
Price-Cost Margin



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE SEVENTY-EIGHT
PRICE-COST MARGINS FOR COMBINED DEDICATED SERVICE
(1,000 HOURS PER MONTH)

Price-Cost Margin



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

SCENARIO ELEVEN

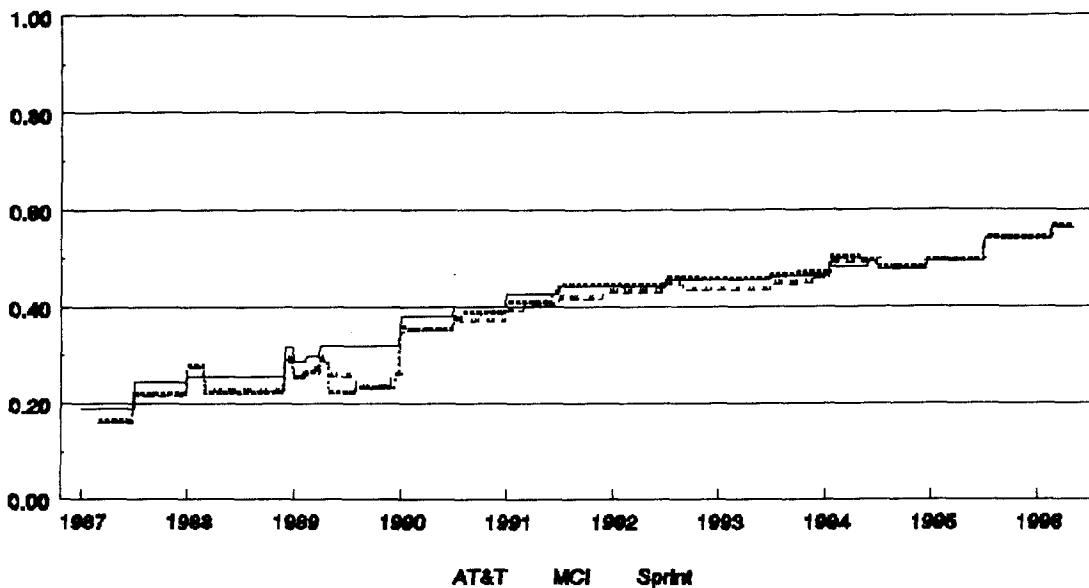
CALLING PATTERN DISTRIBUTION

Time-of-Day Distribution		
	MTS	WATS, 800 & Combined Services
Day	5%	5%
Evening	10%	10%
Night/Weekend	85%	85%

Mileage Distribution of Interstate Calls		
	MTS	WATS, 800 & Combined Services
0-292	12%	12%
293-430	9%	9%
431-925	53%	53%
926-1910	24%	24%
1911-3000	2%	2%

**APPENDIX B-FIGURE SEVENTY-NINE
PRICE-COST MARGINS FOR MTS**

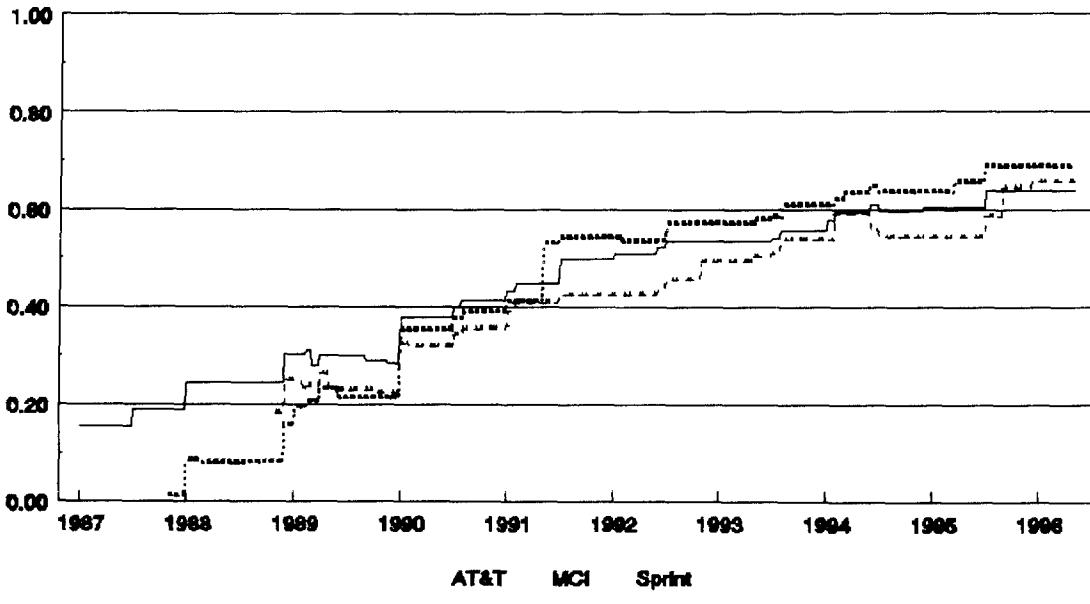
Price-Cost Margin



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

**APPENDIX B-FIGURE EIGHTY
PRICE-COST MARGINS FOR WATS SWITCHED OUTBOUND
(100 HOURS PER MONTH)**

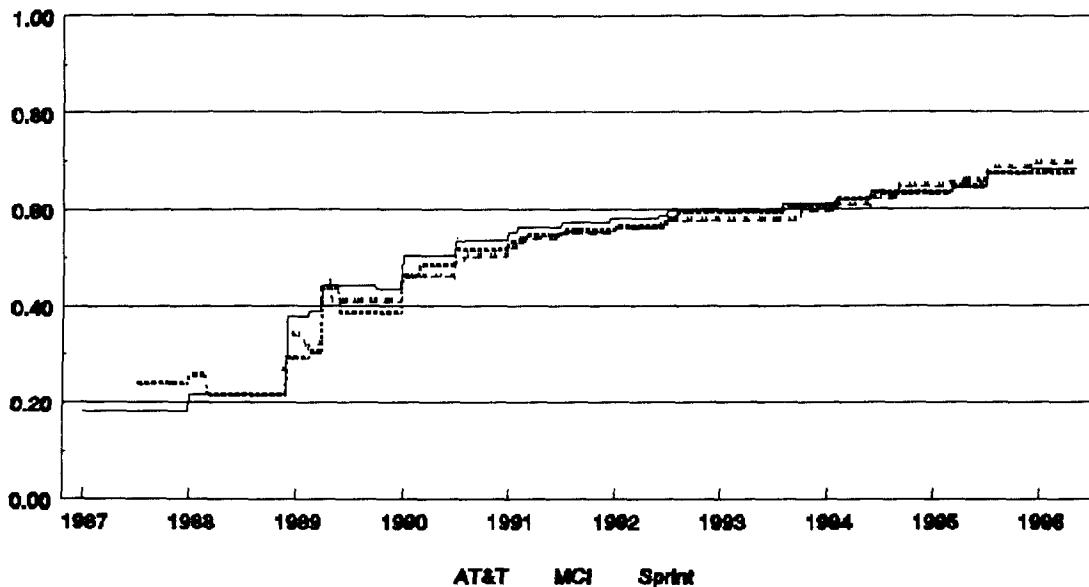
Price-Cost Margin



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE EIGHTY-ONE
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND
(1,000 HOURS PER MONTH)

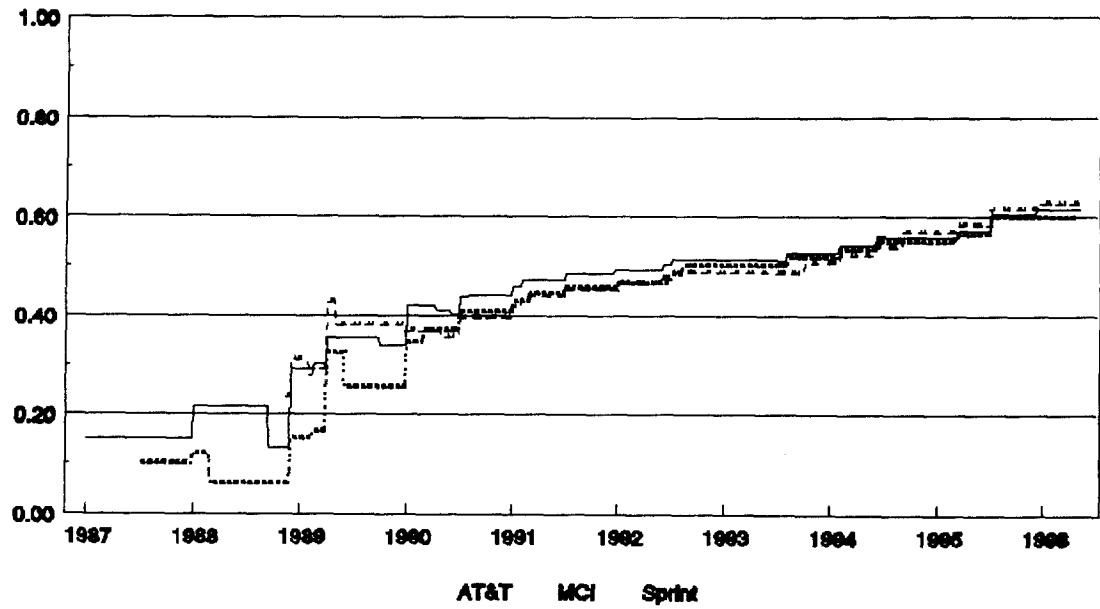
Price-Cost Margin



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE EIGHTY-TWO
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND - 36 MONTH CONTRACT
(1,000 HOURS PER MONTH)

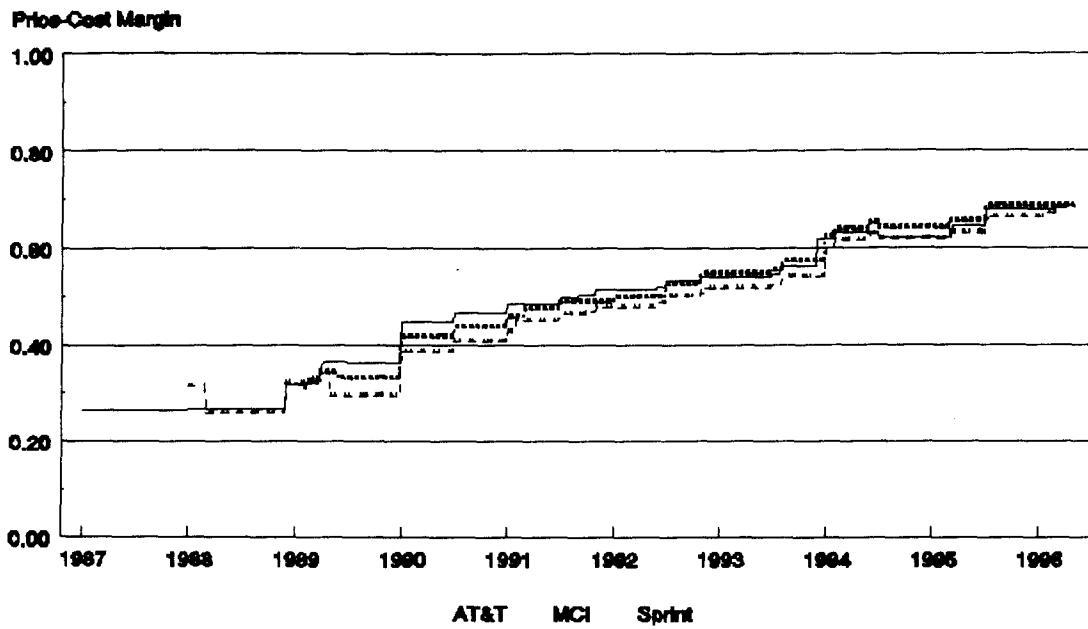
Price-Cost Margin



Note: Sprint uses a 24 month contract.

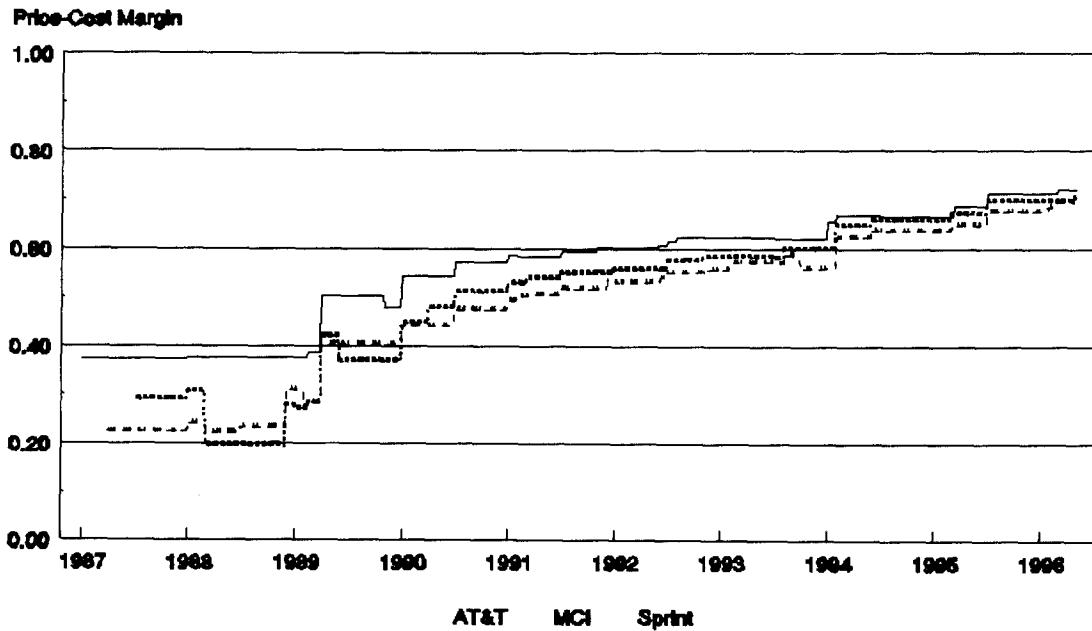
Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE EIGHTY-THREE
PRICE-COST MARGINS FOR WATS SWITCHED INBOUND
(100 HOURS PER MONTH)



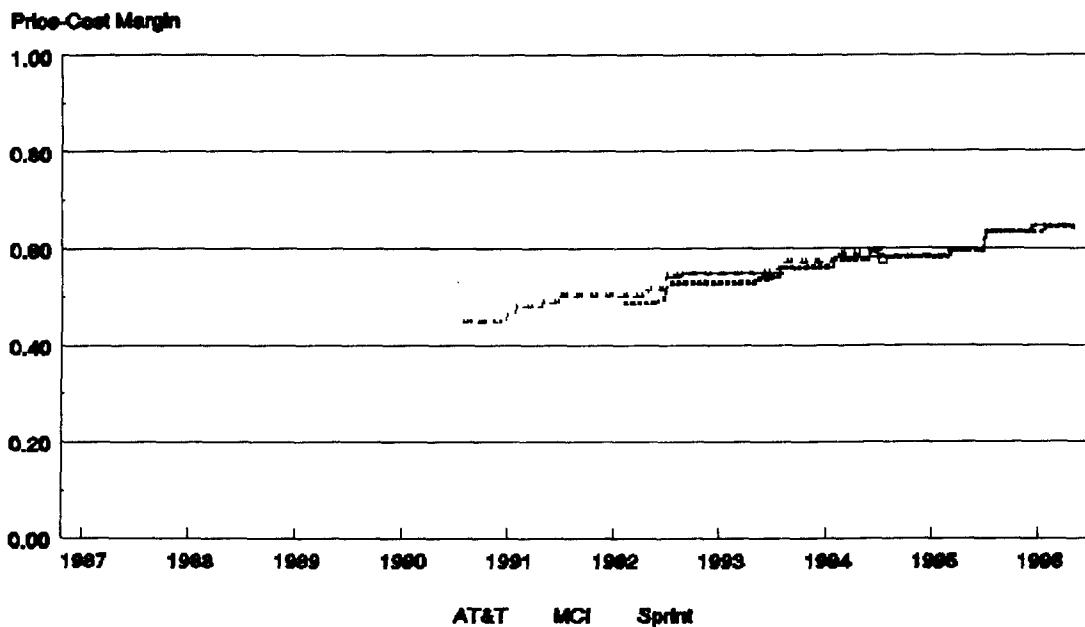
Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE EIGHTY-FOUR
PRICE-COST MARGINS FOR WATS DEDICATED INBOUND
(1,000 HOURS PER MONTH)



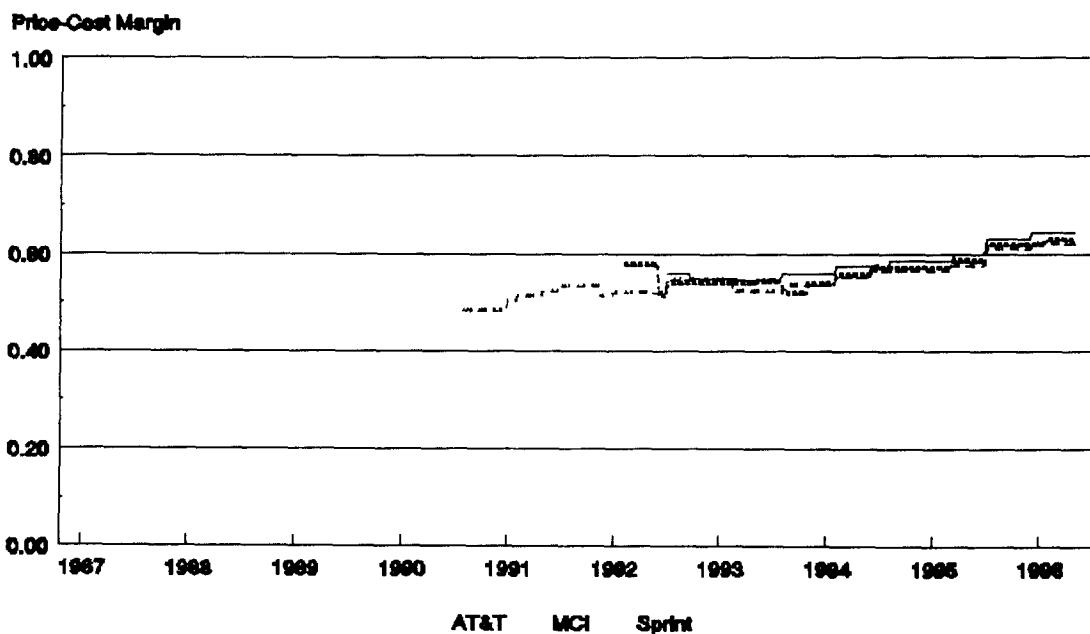
Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE EIGHTY-FIVE
PRICE-COST MARGINS FOR COMBINED SWITCHED SERVICE
(100 HOURS PER MONTH)



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE EIGHTY-SIX
PRICE-COST MARGINS FOR COMBINED DEDICATED SERVICE
(1,000 HOURS PER MONTH)



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

SCENARIO TWELVE

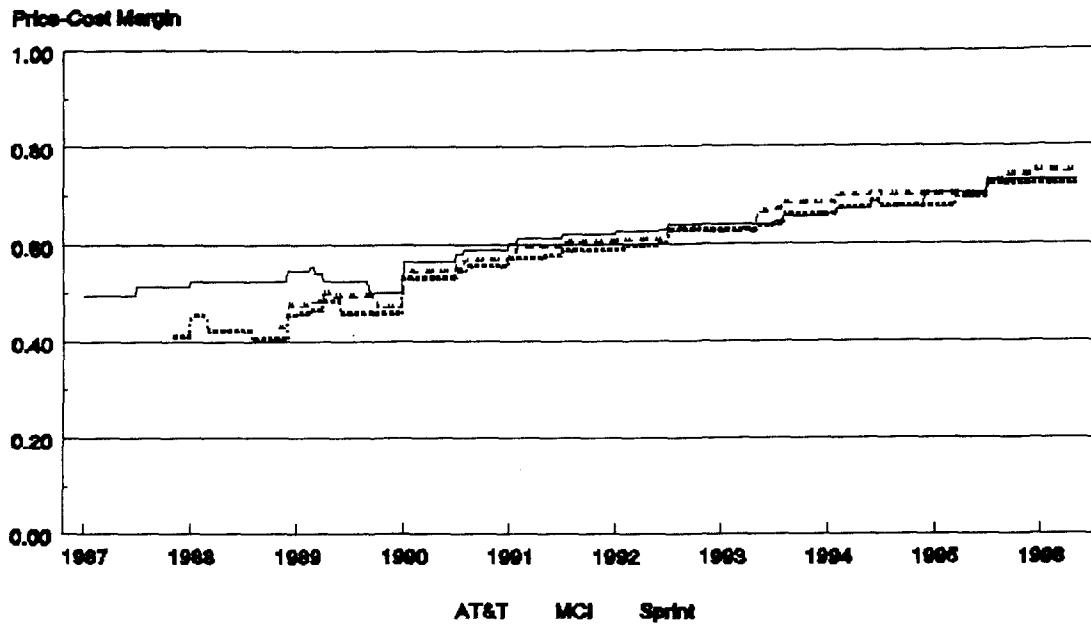
ALTERNATIVE USAGE LEVELS

CALLING PATTERN DISTRIBUTION

Time-of-Day Distribution	
	WATS, 800 & Combined Services
Day	85%
Evening	10%
Night/Weekend	5%

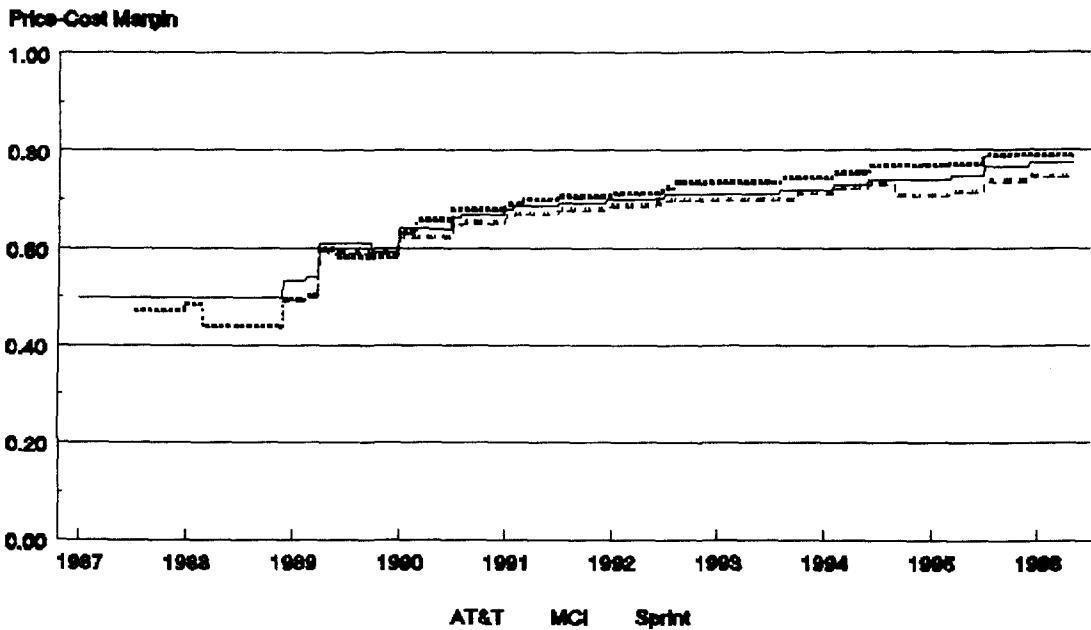
Mileage Distribution of Interstate Calls	
	WATS, 800 & Combined Services
0-292	0%
293-430	1%
431-925	8%
926-1910	37%
1911-3000	54%

APPENDIX B-FIGURE EIGHTY-SEVEN
PRICE-COST MARGINS FOR WATS SWITCHED OUTBOUND
(1,000 HOURS PER MONTH)



Sources: Marginal costs from FCC; and rates from HTL Telemangement, Ltd.

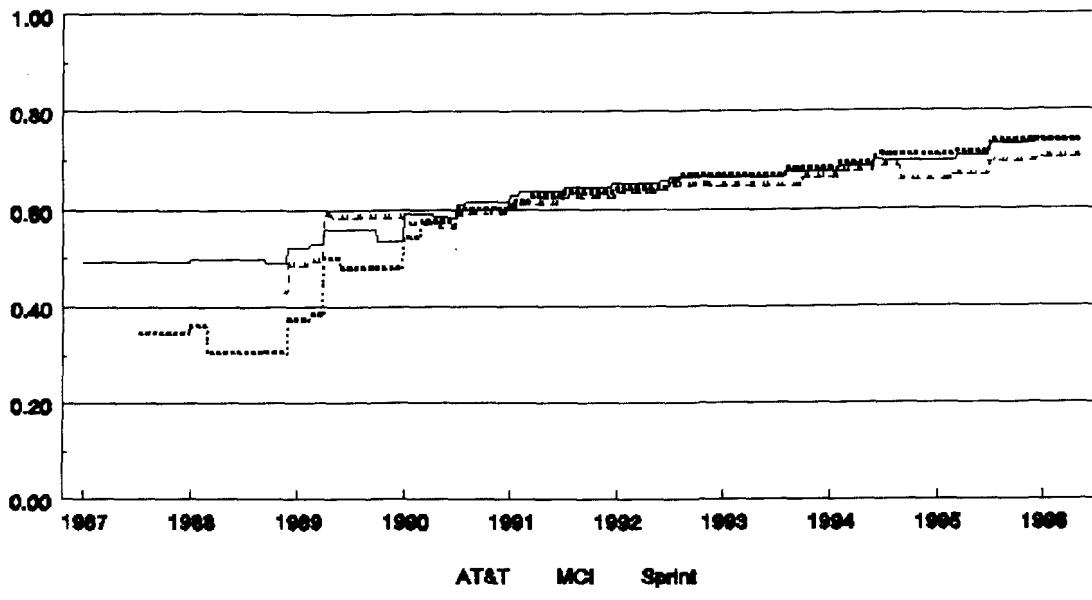
APPENDIX B-FIGURE EIGHTY-EIGHT
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND
(5,000 HOURS PER MONTH)



Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemangement, Ltd.

APPENDIX B-FIGURE EIGHTY-NINE
PRICE-COST MARGINS FOR WATS DEDICATED OUTBOUND - 36 MONTH CONTRACT
(5,000 HOURS PER MONTH)

Price-Cost Margin

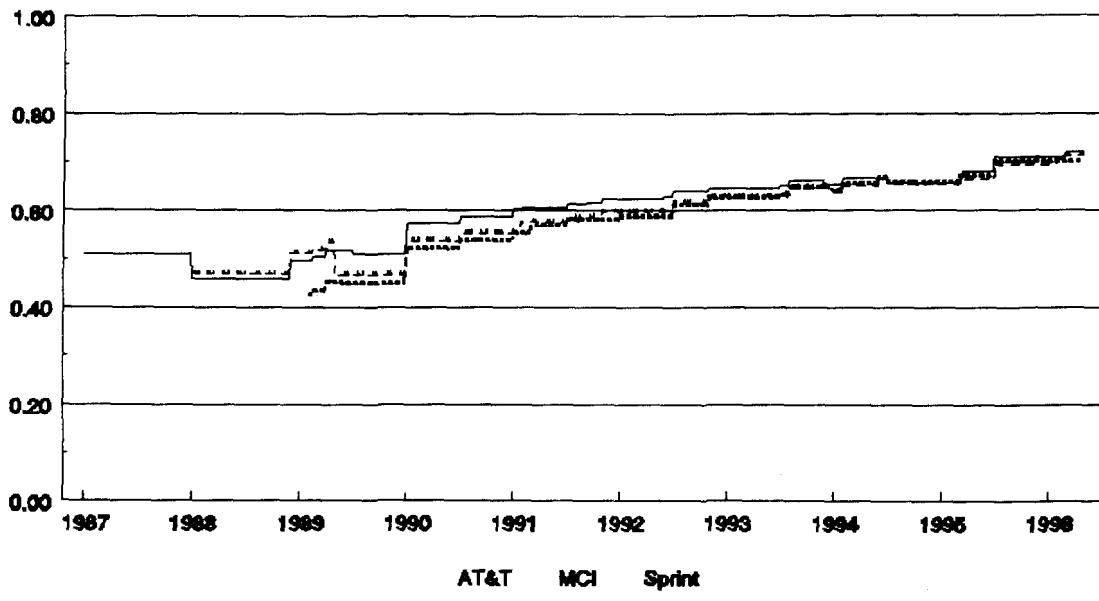


Note: Sprint uses a 24 month contract.

Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

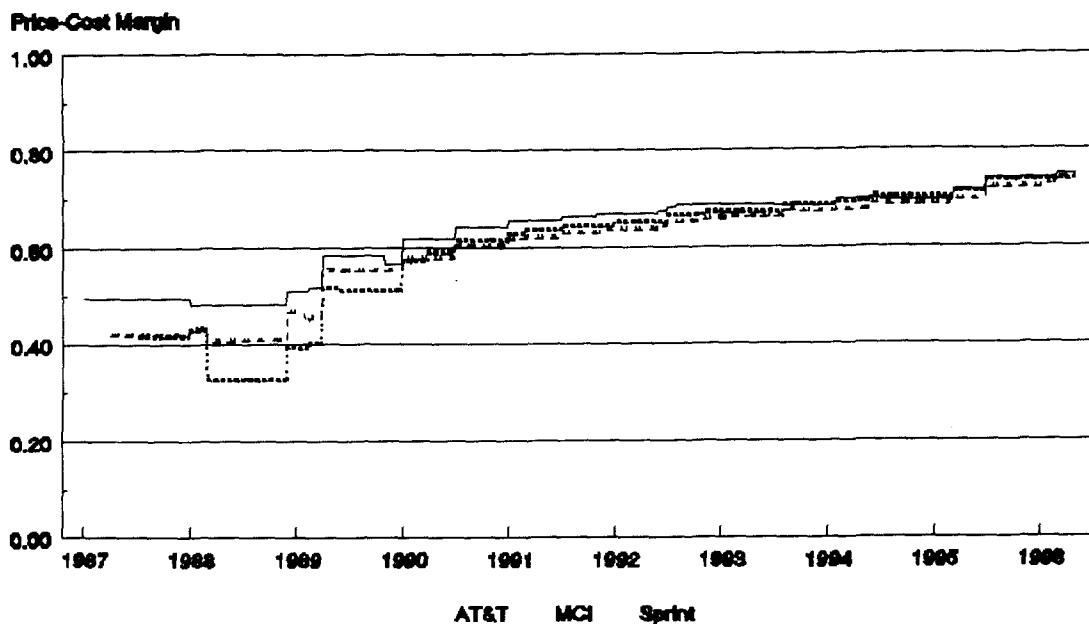
APPENDIX B-FIGURE NINETY
PRICE-COST MARGINS FOR WATS SWITCHED INBOUND
(1,000 HOURS PER MONTH)

Price-Cost Margin



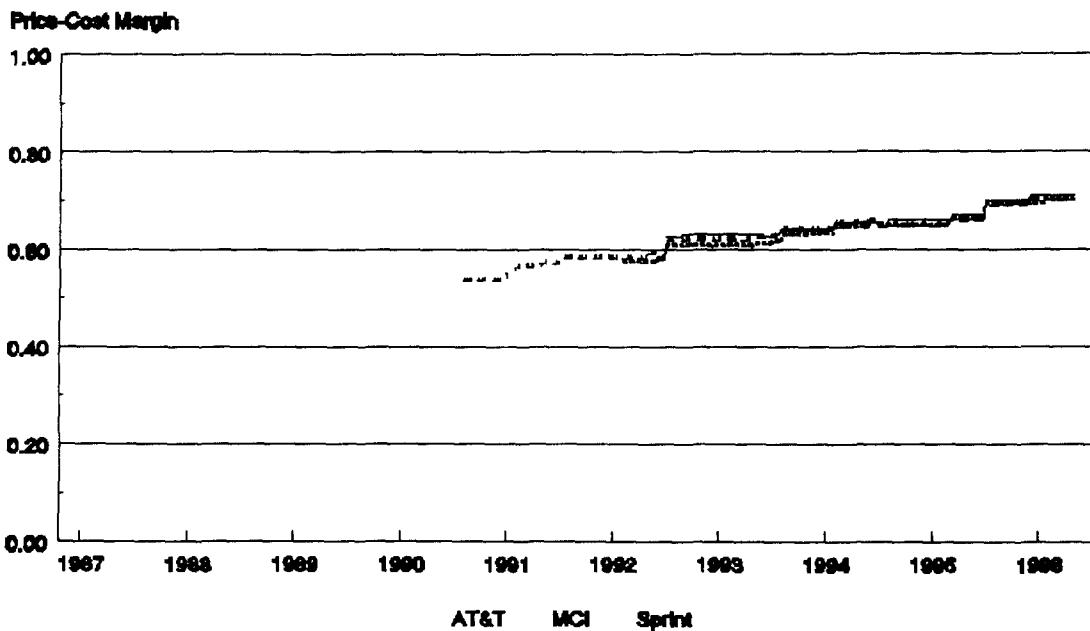
Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE NINETY-ONE
PRICE-COST MARGINS FOR WATS DEDICATED INBOUND
(5,000 HOURS PER MONTH)



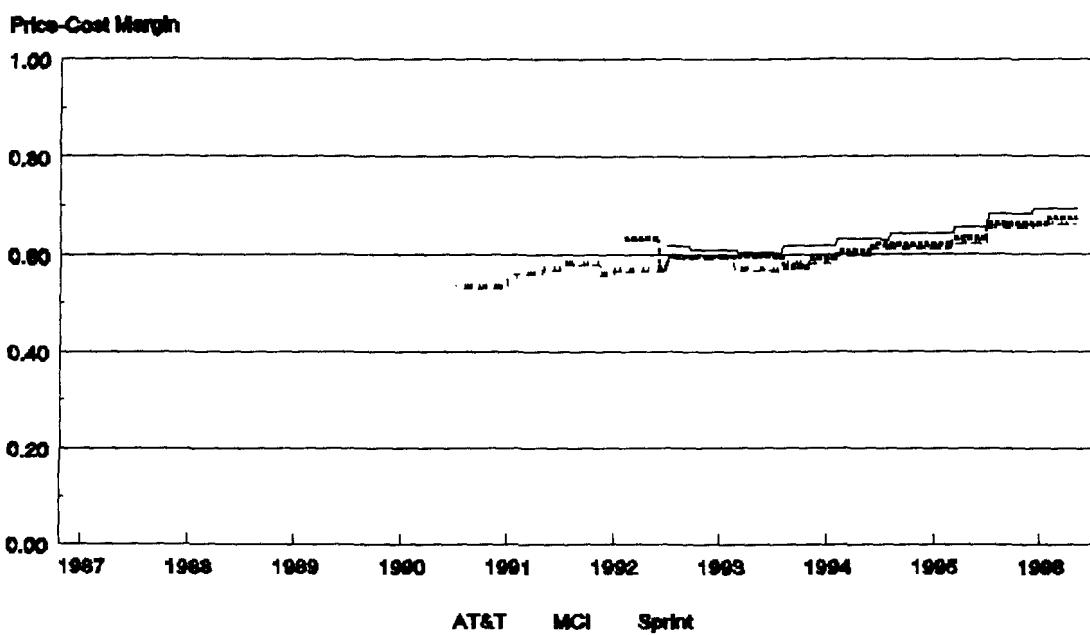
Sources: Marginal costs from FCC and Pacific Bell; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE NINETY-TWO
PRICE-COST MARGINS FOR COMBINED SWITCHED SERVICE
(1,000 HOURS PER MONTH)



Sources: Marginal costs from FCC; and rates from HTL Telemanagement, Ltd.

APPENDIX B-FIGURE NINETY-THREE
PRICE-COST MARGINS FOR COMBINED DEDICATED SERVICE
(5,000 HOURS PER MONTH)



Sources: Marginal costs from FCC and Pacific Bell; end rates from HTL Telemanagement, Ltd.